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June 4, 2013


Mr. John D. Bowers
Bowers Law Firm
P.O. Box 1550
Afton, Wyoming 83110

Re: Connie Langille

Dear Mr. Bowers:

At your request, I have prepared a report on the economic losses suffered by Ms. Connie Langille as a result of injuries she sustained on December 29, 2011. Table 1 provides a summary of my opinions. The tables, notes, footnotes, and appendices that follow Table 1 provide the basis for my opinions and the information considered in forming my assessment of economic damages. I also have attached a statement of qualifications, curriculum vitae, fee schedule, and four-year testimony history. The curriculum vitae includes a list of publications. If you have any questions, please call me.

Sincerely,



Tyler J. Bowles, Ph.D., CPA

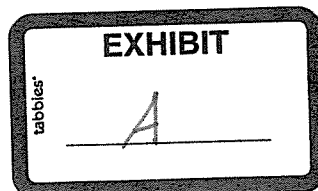


Table 1. Summary of Economic Losses
Connie Langille

<u>Description</u>	<u>Amount</u>	<u>Reference</u>
Past Medical and Related Expenses	\$176,301	Note 1
Cost of Gratuitous Care Provided by Paul Langille	13,872	Note 2
Present Value of Lost Earning Capacity	335,023	Table 2
Present Value Cost of Future Medical Care	24,831	Table 3
Present Value of Lost Household Services Capacity	<u>168,480</u>	Table 4
Total Economic Loss	<u><u>\$718,507</u></u>	

Table 2. Present Value of Lost Earning Capacity
Connie Langille

[illegible]

Table 4. Present Value of Lost Household Services Capacity
Connie Langille

(1)	(2)	(3)	(4)	(5)
Year	Age at Jan. 1	Cumulative Number of Years (Note 7)	Uninflated Value of Lost Household Services Capacity (Note 10)	Present Value of Lost Household Services Capacity (Note 6)
2012	50	1.0	\$5,616	\$5,616
2013	51	2.0	5,616	\$5,616
2014	52	3.0	5,616	\$5,616
2015	53	4.0	5,616	\$5,616
2016	54	5.0	5,616	\$5,616
2017	55	6.0	5,616	\$5,616
2018	56	7.0	5,616	\$5,616
2019	57	8.0	5,616	\$5,616
2020	58	9.0	5,616	\$5,616
2021	59	10.0	5,616	\$5,616
2022	60	11.0	5,616	\$5,616
2023	61	12.0	5,616	\$5,616
2024	62	13.0	5,616	\$5,616
2025	63	14.0	5,616	\$5,616
2026	64	15.0	5,616	\$5,616
2027	65	16.0	5,616	\$5,616
2028	66	17.0	5,616	\$5,616
2029	67	18.0	5,616	\$5,616
2030	68	19.0	5,616	\$5,616
2031	69	20.0	5,616	\$5,616
2032	70	21.0	5,616	\$5,616
2033	71	22.0	5,616	\$5,616
2034	72	23.0	5,616	\$5,616
2035	73	24.0	5,616	\$5,616
2036	74	25.0	5,616	\$5,616
2037	75	26.0	5,616	\$5,616
2038	76	27.0	5,616	\$5,616
2039	77	28.0	5,616	\$5,616
2040	78	29.0	5,616	\$5,616
2041	79	30.0	5,616	\$5,616

Present Value of Lost Household Services Capacity

\$168,480

Notes:

1. Past medical and related expenses have been provided by Ms. Connie Langille.¹ This list will need to be updated prior to trial. It is also my understanding that interest may be available on these past losses. This interest can be calculated at the time of trial.
2. Ms. Langille's spouse, Mr. Paul Langille, took approximately two months off of work after the date of the incident (i.e., December 29, 2011) to care for Connie.² Paul's wages for 2011 were \$83,232 or \$6,936 per month.³ Two months at this wage rate yields a cost of the gratuitous care provided by Paul of \$13,872.
3. Connie was 50 years old at the time of the incident and had a worklife expectancy of 13.0 years.⁴ For purposes of computational simplicity, I have assumed that these working years would have occurred consecutively. This assumption does not have a material effect on the estimate of losses.
4. Ms. Langille completed professional truck-driver school in 2006 and was self employed as a pilot car driver from 2007 through the date of the incident.⁵ Her business reported the following revenues and expenses:⁶

	Gross	Car &			
<u>Year</u>	<u>Revenue</u>	<u>Truck</u>	<u>Travel</u>	<u>Meals</u>	<u>Profit</u>
		<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>	<u>(Loss)</u>
2007	\$38,431	\$28,676	\$2,019	\$2,587	\$1,737
2008	68,221	47,556	612	8,892	4,272
2009	41,863	23,415	2,673	5,538	3,414
2010	35,982	27,460	1,875	9,651	(7,859)
2011	43,018	NA	NA	NA	NA

¹ See Plaintiff Connie Langille's Response to Defendants' First Set of Interrogatories, Answer No. 17.

² See Paul Langille's deposition testimony, p. 57 and Connie Langille's deposition testimony, pp. 175-176.

³ See Paul's 2011 W-2 statement.

⁴ Skoog, Gary R., James A. Ciecka, and Kurt V. Krueger, "The Markov Process Model of Labor Force Activity: Extended Tables of Central Tendency, Shape, Percentile Points, and Bootstrap Standard Errors" *Journal of Forensic Economics* 22(2, 2011):165-229. Appendix A contains a copy of the relevant work-life table.

⁵ See Connie's Answers to Interrogatories, Nos. 20 and 21. Also see Connie's deposition, pp. 42-45.

⁶ See Connie's tax returns (Schedule C) for 2007 through 2010 and Form 1099-Misc for 2011 from Mullen Crane & Transport.

In my opinion, the profits of this business, as reported on Schedule C of her tax return, do not represent her earning capacity. The tax law is not necessarily designed to measure earning capacity and the car and truck expenses and meals expenses noted above may not reflect economic reality. Further, Connie had the training and experience to work as a truck driver. Therefore, based on discussions with Connie,⁷ discussions with another pilot-car driver, Jackie Smith,⁸ and on the tax return information above, in my opinion the reported wages for light truck drivers (SOC 53-3033) provides a reasonable estimate of Connie's earning capacity. These wage rates are as follows:⁹

<u>Area</u>	<u>Employment</u>	<u>2012 Median Hourly Wage</u>
Rural Eastern Idaho, including Caribou County	200	\$19.88
Pocatello, ID MSA	150	10.19
All Idaho	3,460	12.39
All Wyoming	1,330	16.62

Based on these data and the information referenced above, I have estimated Connie's pre-injury earning capacity at \$12.39 per hour or \$25,771 per year (i.e., \$25,771 = \$12.39 x 2,080 hrs.)

5. Connie has not worked since the incident.¹⁰ Dr. Suzanne M. Pinto concludes that Connie suffers from post-traumatic stress disorder, major depression, general malaise, and notes significant medical issues secondary to the motor vehicle accident.¹¹ Regarding the effects of Connie's injuries on her earning capacity, Ms. Kathy Gammon, a vocational expert, concludes ". . . that Ms. Langille is NOT currently eligible for a return to the competitive labor market . . ."¹²
6. Future losses are projected in uninflated dollars. Therefore, the present value of each loss has been calculated based on a net discount rate, which is approximately the difference between the interest rate on a secure investment (e.g., U.S. Treasury securities¹³) and the

⁷In the preparation of this report, I interviewed Connie by telephone on several different occasions.

⁸Connie references Jackie Smith in her deposition, pp. 171-72. I interviewed Jackie Smith by telephone on June 3, 2013.

⁹Appendix B provides a copy of these data.

¹⁰Connie Langille deposition, p. 59.

¹¹Psychological Assessment, Dr. Suzanne M. Pinto, Ph.D., P.C., March 27, 2013, pp. 12-13. Also see Independent Medical Examination, Dr. Brian Tallerico, D.O., April 11, 2013.

¹²Vocational and Earnings Capacity Assessment, Ms. Kathy Gammon, CRC, May 6, 2013, p. 20.

¹³In *Jones & Laughlin Steel Corp. v. Pfeifer* (462 U.S. 523), the U.S. Supreme Court provides the rationale for using the yield on Treasury securities for discounting future damages in personal injury cases.

growth rate in wages. A net discount rate of zero percent has been used to discount future losses. This net discount rate is consistent with current interest rates and the expected wage growth rate.¹⁴

7. Connie is 52 years old and has a life expectancy of 31 years to approximately age 83.¹⁵ The loss of household services has been projected to approximately age 79 to account for relative inactivity toward the end of life expectancy.
8. The cost of psychological counseling and physical therapy has been provided by Ms. Gammon.¹⁶
9. The costs of gym membership and Ibuprofen are based on my discussions with Connie.¹⁷
10. At the time of the incident, Connie and Paul lived in a typical single-family home on a large lot in Soda Springs, Idaho. Previous to her injuries, Connie reports that she provided the typical household services in and around the home (i.e., cooking, housework, yard work, home repairs and maintenance, shopping, etc.).¹⁸ Survey data indicate that married women with no children at home spend the following amounts of time (in hours per week) on household activities:¹⁹

<u>Activity</u>	<u>Work Full Time</u>
Inside housework	5.40
Food cooking and cleanup	4.42
Pets, home and vehicles	2.76
Household management	1.23
Shopping	3.27
Obtaining services	0.12
Travel for household activity	<u>2.33</u>
Total weekly hours	<u>19.53</u>

¹⁴See the material in Appendix C.

¹⁵Centers for Disease Control and Prevention, "United States Life Tables, 2008." *National Vital Statistics Reports*, 61 (3, September 24, 2012). Appendix D provides a copy of the relevant life expectancy table.

¹⁶Gammon report, pp. 25-26.

¹⁷Also see Connie's deposition, pp. 144-145.

¹⁸Interview.

¹⁹See the material in Appendix E.

Connie reports that her injuries have significantly limited her ability to perform household services.²⁰ Based on discussions with Connie, the opinions of Dr. Pinto and Dr. Tallerico, and the vocational opinions of Ms. Gammon, I have estimated his loss of household services capacity at 9.0 hours per week (468 hours per year). I have valued these hours at \$12.00 per hour.²¹

General Note:

In addition to the material specifically referenced above, I reviewed the following in the preparation of this report:

- Accident Report
- Amended Complaint
- Written Statements by Connie Langille
- Plaintiff Paul Langille's Answers to Defendants' First Set of Interrogatories
- Paul 2012 w-2 statement and May 2013 pay stub

²⁰Interview.

²¹Appendix F provides supporting information for the \$12.00 wage rate.